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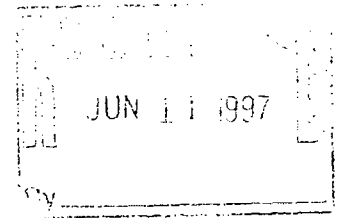
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Gordon Lord
YODER AINLAY ULMER & BUCKINGHAM
PO Box 575
130 N Main St
Goshen, IN 46527-0575

Dear Gordon:

We are in receipt of your letter dated May 29, 1997 concerning the Goshen, Indiana property. On behalf of Flexsteel we are advising you that we know of no agreement, written or oral, where Flexsteel agreed to have anything to do with the barrels. Therefore, Flexsteel will not be removing any barrels from the premises.

Flexsteel will look into the crates and other materials you referred to in your letter. Flexsteel only bought from Dygert equipment and inventory and if the crates and other materials relate to either inventory or equipment which they purchased, Flexsteel will remove the items. However, if the crates or other materials do not relate to the equipment or other inventory which they purchased, Flexsteel will not be removing them.

Very truly yours,

O'CONNOR & THOMAS, P.C.

By:

John C. O'Connor

JCO/ss

cc: Ronald J. Klosterman
Geoff Church
Tim Hall